

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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| <b>In Re:</b><br><br><b>W.R. GRACE &amp; CO., et al.,</b><br><br><b>Debtors.</b> | <b>§</b><br><b>§</b><br><b>§</b><br><b>§</b><br><b>§</b><br><b>§</b> | <b>Chapter 11</b><br><br><b>Jointly Administered</b><br><b>Case No. 01-01139 (JKF)</b> |
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**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF CAPLIN & DRYSDALE,  
CHARTERED FOR THE TWENTIETH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Caplin & Drysdale, Chartered for the Twentieth Interim Period (the "Application").

**BACKGROUND**

1. Caplin & Drysdale, Chartered ("Caplin") was retained as national counsel to the Official Committee of Asbestos Personal Injury Claimants. In the Application, Caplin seeks approval of fees totaling \$414,458.00 and costs totaling \$84,542.98 for its services from January 1, 2006, through March 31, 2006.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued

January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Caplin an initial report based on our review, and received a response from Caplin, portions of which response are quoted herein.

### **DISCUSSION**

3. In our initial report, we noted a number of lodging entries that appear to be excessive.

The entries are provided below.

|         |   |          |
|---------|---|----------|
| 1897804 | DBS; Travel expenses to Boston on 12/19-22 for Omni Parker House hotel                                    | \$401.43 |
| 1908766 | DKG; Travel expenses to Boston for document review on 1/25-27 for Nine Zero hotel                         | \$492.52 |
| 1908770 | JPW; Travel expenses to Boston for document review on 1/25-27 for Nine Zero hotel                         | \$492.52 |
| 1925415 | SME; Travel expenses to Boston for document review on 1/25-26 for Nine Zero hotel                         | \$492.52 |
| 1928801 | JAL; Travel expenses in Boston for document review on 3/13-15 for Nine Zero hotel                         | \$739.92 |
| 1929636 | JPW; Travel expenses to Boston for document review on 3/13-14 for Nine Zero hotel                         | \$369.96 |
| 1932412 | ALV; Travel expenses to Boston for document review at debtor's repository on 3/13-15 for Hotel Nine- Zero | \$739.92 |

We asked Caplin to supply more information regarding these expense entries. Caplin's response is provided as Response Exhibit 1. We appreciate the response. With the exception of New York and San Francisco (\$350 per night) and Washington D.C. (\$300 per night), we recommend a reasonable


lodging ceiling of \$250.00 per night, plus applicable taxes, for American cities. Applying that ceiling, we recommend a reduction of \$158.00 for the JAL expense of March 13-15; a reduction of \$79.00 for the JPW expense of March 13-14; and a reduction of \$158.00 for the ALV expense of March 13-15. We thus recommend a total reduction of \$395.00 for these expenses.

### **CONCLUSION**

4. Thus we recommend approval of fees totaling \$414,458.00 and costs totaling \$84,147.98 (\$84,542.98 minus \$395.00) for Caplin's services from January 1, 2006, through March 31, 2006.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 30<sup>th</sup> day of August, 2006.



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Warren H. Smith

**SERVICE LIST**

Notice Parties

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Frank J. Perch, Esq.  
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Wilmington, DE 19801

## Response Exhibit 1

| <b>DATES/NUMBER OF NIGHTS</b>         | <b>PROFESSIONAL</b>                   | <b>R O O M<br/>C H A R G E<br/>P E R N I G H T</b> | <b>T O T A L<br/>T A X E S</b> | <b>T O T A L<br/>C H A R G E</b> |
|---------------------------------------|---------------------------------------|--|--------------------------------|----------------------------------|
| <b>DEC. 19-22, 2005/<br/>3 NIGHTS</b> | <b>DAVID B. SMITH</b>                 | <b>\$119.00</b>                                    | <b>14.81</b>                   | <b>\$401.43</b>                  |
| <b>JAN. 25-27, 2006/<br/>2 NIGHTS</b> | <b>DANIELLE K.<br/>GRAHAM</b>         | <b>\$219.00</b>                                    | <b>54.52</b>                   | <b>\$492.52</b>                  |
| <b>JAN. 25-27, 2006/<br/>2 NIGHTS</b> | <b>JAMES P. WEHNER</b>                | <b>\$219.00</b>                                    | <b>54.52</b>                   | <b>\$492.52</b>                  |
| <b>JAN. 25-27, 2006/<br/>2 NIGHTS</b> | <b>STACIE M. EVANS</b>                | <b>\$219.00</b>                                    | <b>54.52</b>                   | <b>\$492.52</b>                  |
| <b>MAR. 13-15, 2006/<br/>2 NIGHTS</b> | <b>J E F F R E Y A .<br/>LIESEMER</b> | <b>\$329.00</b>                                    | <b>\$81.92</b>                 | <b>\$739.92</b>                  |
| <b>MAR. 13-14, 2006/<br/>1 NIGHT</b>  | <b>JAMES P. WEHNER</b>                | <b>\$329.00</b>                                    | <b>\$40.96</b>                 | <b>\$369.96</b>                  |
| <b>MAR. 13-15, 2006/<br/>2NIGHTS</b>  | <b>ADAM VANGRACK</b>                  | <b>\$329.00</b>                                    | <b>\$40.96</b>                 | <b>\$739.92</b>                  |